

May 22, 2012

Docket No. MC2012-14

Docket No. R2012-8

Secretary
Postal Regulatory Commission
Washington, DC 20268

Dear Secretary:

For more than 130 years, The Kansas City Star has been providing quality local news and information. It gives voice to the voiceless. It holds the powerful accountable. It helps enlighten people in the communities we serve. It pays for this vital First Amendment work partially through advertising.

The Negotiated Service Agreement (NSA) between the U.S. Postal Service and Valassis would create an unfair competitive advantage to a national advertising mail company against a local mail customer.

The Kansas City Star believes this proposal will imperil the health of the newspaper, as well as the livelihoods of local workers, from journalists to advertising sales executives to press operators.

In addition to the advertising revenues at risk through inserts, The Kansas City Star spends millions of dollars each year with the USPS through our TMC program. The rate cuts for Valassis are a clear competitive disadvantage to The Kansas City Star. In the past, The Star has used private delivery for this product. If Valassis is awarded this rate reduction, it may result in a necessary competitive response of converting our TMC mail from USPS to a private delivery force. Thus, it's unlikely the proposal ultimately will help the struggling USPS pull out from its sea of red ink, as newspapers would need to turn to other delivery options in order to compete.

It also has been noted that Valassis can cancel this agreement with USPS after three months with a one-month notice – without penalty. This aggressive and unfair tactic allows Valassis to sell against local news providers for four months, cause massive disruption in the local marketplace for customers, consumers, and USPS in a manner that is risk-free to the national advertising mail company.

The Kansas City Star respectfully requests that the Postal Regulatory Commission reject the proposed NSA.



Mi-Ai Parrish
President and Publisher
The Kansas City Star